

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

JUN 26 2009 Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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|---|
| WELL API NO. 30-015-25655 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name EASTLAND QUEEN UNIT |
| 8. Well Number 1 |
| 9. OGRID Number 1903 |
| 10. Pool name or Wildcat TURKEY TRACK; 7RVRS-QU-GB-SA |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
BEACH EXPLORATION, INC.

3. Address of Operator
800 NORTH MARIENFELD, SUITE 200, MIDLAND, TX 79701

4. Well Location
Unit Letter D; 990 feet from the NORTH line and 990 feet from the WEST line
Section 1 Township 19S Range 29E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: RE-SQUEEZE TO CONVERT TO INJECTION

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

06/05/09 RU pulling unit. Release AD-1 packer. Pull and reset at 1746' above 7 Rvrs perfs. Tested backside to 500 psi. Reset pkr at 1806' below 7 Rvrs perfs to test leak in 7 Rvrs squeeze on backside. Pressure would bleed off. Tried to establish rate into 7 Rvrs. Got 1/2 bpm at 1300 psi when 5 1/2" csg broke down. Top of new leak 30'. Set CIBP on WL at 1900' w/18" cmt on top. CIBP between Qn perfs 2306'-2341' and 7 Rvrs perfs 1760'-1774'.
06/08/09 Tested CIBP to 1000 psi. Spotted 10sx Class C cmt at 1786'. Hesitation sqz'd 7 Rvrs perfs to 2200 psi. WOC.
06/09/09 New hole in 5 1/2" csg between 40' and 45'. Circulated 13sx Class C cmt down 5 1/2" csg and out 8 5/8". WOC.
06/10/09 Drld surf sqz cmt w/4 3/4" bit. Tested sqz to 330 psi. Drld 7 Rvrs sqz cmt from 1711' to 1785'. Tested 7 Rvrs sqz to 425 psi. Drld cmt and CIBP at 1900' and pushed CIBP to 2410' on top of previously drld and pushed CIBP.
06/11/09 Ran 5 1/2" PC AD-1 Tension pkr, PC SN, and 71 jts of Glassbore tbg. Pkr at 2250'. Queen perfs (2306'-2341')
06/15/09 Flushed backside and circulated well w/50 bbl pkr fluid, set pkr and pressure tested to 505 psi.
Conducted successful MIT (witnessed by Richard Inge)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jack M. Rose TITLE Engineer DATE June 18, 2009
Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com Telephone No. (432) 683-6226

For State Use Only

APPROVED BY: Richard Inge TITLE COMPLIANCE OFFICER DATE 7/2/09
Conditions of Approval (if any):